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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



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Senate FY 2013 Continuing Resolution (CR) Restores MAP-21 Funding Levels

This week, the U.S. Senate Appropriations Committee released its amendment to the recently passed House Continuing Resolution (CR) for Fiscal Year (FY) 2013 and the full Senate then proceeded to consideration of the bill and further amendments. The House bill, passed on March 6, included an across the board cut (rescission) of 0.1 percent on all federal programs (including the Department of Transportation (DOT) and it restricted spending on MAP-21 authorized programs to FY 2012 funding levels. The restriction on MAP-21 authorized levels amounted to a cut of \$117.4 million to Federal Transit Administration (FTA) Formula and Bus Grant programs, while the rescission also added a cut of \$8.3 million, for a total cut of \$125.7 million to MAP-21 authorized FTA formula programs. Moreover, these cuts were on top of the across the board cuts that recently became effective under sequestration on March 1, when the Administration and Congress were unable to reach an agreement on a plan to trim the deficit and avoid the sequester. Programs affected by the March 1 sequester included those funded out of the General Funds, such as the MAP-21 General Fund transfers to the Highway Trust Fund, as well as New Starts, Federal Transit Administration (FTA) operations, FTA Research, and even the recently enacted emergency relief funding for Hurricane Sandy recovery.

The Senate bill, introduced on Monday, includes five complete FY 2013 Appropriations bills, and provides appropriations under the CR format for all others, including the bill for Transportation, Housing and Urban Development and Related Agencies (THUD). However, the Senate bill provides modified language for the THUD bill and fully funds MAP-21 FTA Formula and Bus programs at \$8.478 billion. Also, while the bill includes an across the board rescission for other federal programs, the cut is not applied to DOT, although General Fund programs are still impacted by the sequester. Within the funds available to the FTA, the bill provides \$4 million to fund the new transit safety program established under MAP-21. It also makes technical corrections to the appropriations language for transit research and the New Starts program in order to conform to program changes made by MAP-21. Finally, the Senate bill increases funding levels for the highway, highway safety and motor carrier safety programs to make those programs consistent with the levels authorized under MAP-21.

The Senate was working through amendments but Senate Majority Leader Reid indicated that there would not be sufficient time to complete the bill before the weekend. He stated that Senate consideration would continue on Monday, March 18. As a result of the changes made in the Senate, the bill will require further action by the House before it can be sent to the President for his signature. The current CR expires on March 27th, requiring the Congress to complete consideration before that date in order to prevent a shutdown of the federal government.

Homeland Security – Among the complete bills in the CR is the FY 2013 Appropriations for the Department of Homeland Security and Related Agencies. The DHS Appropriations bill includes funding for the Federal Emergency Management Agency (FEMA), the Transportation Security Administration (TSA) and the State and Local Grant Programs under which the Urban Area Security Initiative (UASI) and the Transit Security Grant Program (TSGP).

A total of \$1,466,082,000 is provided for “State and Local Programs” including:

TSGP -- Public transportation security assistance and railroad security assistance	\$97,500,000
<i>Amtrak security (take down)</i>	<i>(10,000,000)</i>

Urban Area Security Initiative	\$500,376,000
State Homeland Security Grant Program	\$346,600,000
NEW Discretionary State and Local Grants	\$188,932,000
Port Security Grants	\$97,500,000

House and Senate Budget Committees Move FY 2014 Budget Resolutions

This week, the House and Senate Budget Committees went through the process of marking-up – debating and amending – budget resolutions for FY 2014. The House Budget Committee adopted its resolution, passing it on a 22 to 17 party line vote. The full House is expected to take up its resolution when it returns to work next week. The Senate Budget Committee also adopted its resolution by a vote of 12 to 10 and will prepare to bring it to the full Senate next week, once action on the CR is completed.

The House and Senate resolutions both make assumptions about revenues and outlays over a ten-year window. The resolutions offer very different proposals, with the House proposal – offered by House Budget Committee Chairman Paul Ryan (R-WI) – mirroring the Chairman's stated commitment to balancing the federal budget, and doing so only with spending cuts to federal programs. On the other side of the Capitol, Senate Budget Committee Chairman Patty Murray's (D-WA) proposal works to reduce federal debt and deficit over a longer-term, outside the ten-year window the resolution projects, and does so with a mix of new revenues and spending cuts.

Upon the expiration of MAP-21 at the end of FY 2014, the Highway Trust Fund (HTF) balance crashes, when revenues fail to keep pace with federal obligations. The draft House Budget suggests that any new transportation authorization bill will be constrained by HTF receipts – the motor fuels excise taxes and related measures – or that any General Fund transfers required to supplement the falling revenues would need to be offset by cuts elsewhere, and not treated as intra-governmental transfers. The resolution also provides no direction on gas taxes or alternative revenue sources for the Highway Trust Fund and Mass Transit Account. However, Chairman Ryan has said he will leave the funding specifics up to the Ways and Means Committee. Additionally, the House Budget also recommends eliminating funding for high-speed and intercity passenger rail.

By contrast, the draft Senate Budget assumes continued General Fund investment in transportation and infrastructure projects, with a \$50 billion infusion for capital investments in highways and transit, as part of a larger \$100 billion infrastructure package. The Senate Budget proposes tax-loophole closures and larger tax reform, in order to pay for these investments. The draft Senate budget also contains a provision known as a "reserve fund" that allows committees such as Senate Finance and House Ways and Means to work with the authorizing committees to raise taxes and fees to improve resources available for infrastructure investment.

Action by both House and Senate committees keeps Congress on schedule to produce a concurrent budget resolution by the April 15 statutory deadline.

For questions on these issues, please contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4897, or btynan@apta.com.

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